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TO ALCOAST
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ALCOAST 082/25

SSIC 7220

SUBJ: DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT (DCFSA) SPECIAL
ENROLLMENT PERIOD FOR MILITARY PERSONNEL

1. This ALCOAST announces the opportunity for eligible Coast Guard members to enroll in a Dependent Care Flexible Spending Accounts (DCFSA). DCFSA is a pre-tax account used to pay for eligible dependent care services, such as pre-school, day camp, before or after-school programs, and child (for a dependent who is under age 13) or adult daycare. Contributions are deducted from pay, pre-tax, and then deposited into a DCFSA. This reduces a member's taxable income.

2. Eligibility. U.S. Coast Guard Active Duty and Reserve members, including Reserve Component Managers, when performing active duty for more than 180 days are eligible for enrollment in a DCFSA if they have eligible dependent care expenses that allow both the Service Member and spouse (if applicable) to work, look for work, or attend school full-time. Eligibility information may also be found (listed under Eligibility of Frequently Asked Questions) at:
(Copy and Paste URL Below into Browser)

<https://finred.usalearning.gov/Benefits/DCFSA/FAQ>

3. Enrollment:

a. Eligible members may enroll in a DCFSA for the 2025 plan during the special enrollment period from 03-31 March 2025. Enrollment will be processed by the Federal Flexible Spending Account Program at:
(Copy and Paste URL Below into Browser)

<https://www.fsafeds.gov/>

Specific instructions on how to enroll during the Special Enrollment Period can be found at:
(Copy and Paste URL Below into Browser)

<https://finred.usalearning.gov/Benefits/DCFSA>

b. A DCFSA enables participants to contribute \$100-\$5,000 per household per year in pre-tax income to pay for dependent care expenses (\$2,500 if married and filing separate tax returns). If the member's spouse has less than \$5,000 in yearly earnings, the contribution is limited to the amount of the member's spouse's yearly earnings. Complete spousal considerations information can be found (listed under Spousal Consideration of Frequently Asked Questions) at:
(Copy and Paste URL Below into Browser)

<https://finred.usalearning.gov/Benefits/DCFSA/FAQ>

c. A DCFSA typically operates on a calendar year basis, starting 01 January and ending 31 December. However, during the special enrollment period, all eligible expenses must be incurred between the day after enrollment through 31 December. If a member enrolls on 03 March, they can incur expenses between 04 March - 31 December. If the member enrolls on 31 March, they can incur expenses from 01 April - 31 December.

d. Eligible Service Members may also enroll at any time in a DCFSA following a qualifying life event (QLE) such as birth or adoption of a child, change in legal marital status, deployment, or a permanent change of station. More information about QLE can be found at:

(Copy and Paste URL Below into Browser)

<https://www.fsafeds.gov/public/pdf/FSAFEDS-QLE-Quick-Reference-Guide%20FINAL-s.pdf>

e. Upon enrollment, the specified amount of funds will be withheld from the Service Members semi-monthly paycheck and deposited into their DCFSA. Each month, half of the deduction will occur at mid-month, and half at the end of the month. The deposit to the DCFSA will be made available the following month after payroll deduction.

f. During the special enrollment period, members who enroll between 03 March and approximately 25 March will see their deduction(s) begin with mid-month April payroll and the funds available in the DCFSA approximately 01 May. Members who enroll between 25 March and 31 March may not see their deduction(s) begin until mid-month May payroll and the funds available in the DCFSA approximately 01 June.

g. DCFSA funds can be withdrawn to directly pay dependent care providers or to reimburse dependent care expenses paid out of pocket.

h. Contributions should be carefully planned to not exceed the total amount of qualified expenses anticipated to be incurred during the year.

i. There is a grace period through 15 March of the following year (e.g., 15 March 2026 for those that enrolled for the 2025 plan year) to incur expenses. Participants have until 30 April of the following year to submit a claim for these expenses.

j. Unclaimed contributions will be forfeited after 30 April following the plan year (e.g., 30 April 2026 for those enrolled in the 2025 federal plan year).

k. Re-enrollment. Eligible Service Members must re-enroll each year during the Federal Open Season to continue participation in the DCFSA benefit.

4. Things to consider before you enroll in DCFSA:

a. Review your family's budget and cash flow. Enrolling in a DCFSA will impact your take home pay.

b. DCFSA funds do not carry over into the next year, so you will lose any money that is not used and claimed on eligible dependent care expenses.

c. Understand your tax benefits. Free online tax filing and one-on-one help from a Money Coach and/or Certified Tax Coach are available to Service Members and their families from CG SUPRT.

5. DCFSA and Coast Guard Resources. Free assistance is available to help members make the right decision, provide enrollment information, and understand how the DCFSA affects both their families' financial budget and tax situation.

a. Office of Financial Readiness DCFSA webpage:
(Copy and Paste URL Below into Browser)

<https://finred.usalearning.gov/Benefits/DCFSA>

b. FSAFEDS:
(Copy and Paste URL Below into Browser)

<https://www.fsafeds.gov/explore/usmdcfsa>

c. Coast Guard Personal Financial Management Program (PFMP), local contact list can be found via the following webpage:
(Copy and Paste URL Below into Browser)

<https://www.dcms.uscg.mil/Our-Organization/Assistant-Commandant-for-Human-Resources-CG-1/Health-Safety-and-Work-Life-CG-11/Office-of-Work-Life-CG-111/Personal-Financial-Management-Program-PFMP/>

d. For Tax consultation: CG SUPRT: 1-855-CG SUPRT (247-8778) or visit:
(Copy and Paste URL Below into Browser)

<https://assets.mysecureadvantage.com/cgsuprt/cgsuprt-financial-wellness-program-overview.pdf>

6. CAPT Ryan P. Matson, Acting Assistant Commandant for Military Personnel (CG-1M), sends.

7. Internet release is authorized.